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Central Intelligence Agency

Washington D C 20505

85-4759

02 DEC 1985

The Honorable Thomas F. Eagleton
United States Senate
Washington, D. C. 20510

Dear Senator Eagleton:

I want to express my appreciation to you for taking time out of your busy schedule on 26 November to hear the Agency's concerns about the impact of supplemental retirement legislation. Your understanding of the importance of our concerns was most gratifying.

We have done some research regarding your questions on what the costs would be if special accrual rates were used for the CIA, the Foreign Service and the FBI. We estimate that the additional cost of providing 1.3 percent accrual rate for our CIARDS employees would be $5 million. We have contacted the State Department, and they advise that such cost data are not available at this time but are being developed. State advises that they believe the magnitude of this additional accrual would essentially parallel ours, although not precisely because of the difference in size and demographics of their population. They also agree that any such accrual increases should be applied to their programs. In preliminary discussions with the Bureau, they asked that we not include them in our response to you.

If there is any additional information we can provide you or your staff, please don't hesitate to call us. Again, thank you for your time and consideration.

Sincerely,

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John N. McMahon
Deputy Director of Central Intelligence

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